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## BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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WILLIAM A. MUNDELL  
CHAIRMAN

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JIM IRVIN  
COMMISSIONER

OCT 16 2002

MARC SPITZER  
COMMISSIONERAZ CORP COMMISSION  
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IN THE MATTER OF:

DOCKET NO. S-03413A-01-0000

CLAY EUGENE LAMBERT  
3711 East Minton Place  
Mesa, Arizona 85215  
CRD No. 1959853

Respondent.

PROCEDURAL ORDER**BY THE COMMISSION:**

On September 26, 2001, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding the Temporary Order to Cease and Desist, for Restitution, for Administrative Penalties, and for Other Affirmative Action ("Notice") against Clay Eugene Lambert ("Respondent") in which the Division alleged that Respondent has engaged in acts, practices, and transactions that constitute violations of the Arizona Securities Act ("Act").

On September 12, 2002, the Division filed a motion to vacate the hearing scheduled for September 23, 2002 and reset the matter for a pre-hearing conference. The Division stated that Respondent has been taken into custody on a warrant for his arrest.

The hearing in this matter scheduled for September 23, 2002 was rescheduled as a procedural conference. At the procedural conference, the Division informed the Commission that Bruce Blumberg is acting as advisory counsel to Mr. Lambert and may represent him in the criminal matter, but that Mr. Blumberg is not representing Mr. Lambert in this matter. However, the Division stated

1 that Mr. Blumberg agreed to accept service on behalf of Mr. Lambert for these proceedings.<sup>1</sup> The  
2 Division informed the Commission that the Respondent is still in custody in the Durango facility of  
3 the Maricopa County Sheriff's Department.

4 Based upon Mr. Lambert's incarceration and the ongoing criminal proceedings, the  
5 Administrative Law Judge determined that the hearing in this matter should be rescheduled.

6 IT IS THEREFORE ORDERED that the hearing in this matter shall take place on January 28,  
7 2003 at 10:00 a.m. at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona.

8 IT IS FURTHER ORDERED that the parties shall exchange witness lists and exhibits no later  
9 than ten days before the hearing and provide a copy of the same to the presiding Administrative Law  
10 Judge, unless otherwise ordered by the Administrative Law Judge.

11 IT IS FURTHER ORDERED that the Securities Division shall contact Mr. Blumberg  
12 regarding Mr. Lambert's failure to enter into a Temporary Cease and Desist Order as previously  
13 agreed upon and ordered by the Commission. The Division shall provide the Temporary Cease and  
14 Desist Order to Mr. Blumberg on or before October 31, 2002.

15 IT IS FURTHER ORDERED that Mr. Blumberg shall present the Temporary Cease and  
16 Desist Order to Mr. Lambert and Mr. Lambert shall sign and docket, along with the appropriate  
17 number of copies, the Temporary Cease and Desist Order with the Arizona Corporation Commission  
18 on or before November 16, 2002.

19 DATED this 16 day of October, 2002.

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PHILIP J. DION III  
ADMINISTRATIVE LAW JUDGE

1 Subsequently, the Hearing Division contacted Mr. Blumberg. Mr. Blumberg stated he is representing Mr. Lambert in the criminal matter. He further stated he is not representing Mr. Lambert in this matter, but will accept service of process on behalf of this client.

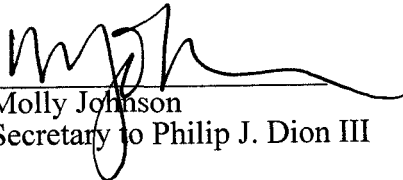
1 Copies of the foregoing mailed/delivered  
2 this 16 day of October, 2002.

3 Bruce E. Blumberg  
4 45 W. Jefferson, Ste. 210  
5 Phoenix, AZ 85003-2325  
6 For delivery to Respondent

7 Moira McCarthy  
8 Assistant Attorney General  
9 ARIZONA ATTORNEY GENERAL'S OFFICE  
10 1275 West Washington Street  
11 Phoenix, Arizona 85007

12 Mark Sendrow, Director  
13 Securities Division  
14 Arizona Corporation Commission  
15 1200 W. Washington  
16 Phoenix, AZ 85007

17 ARIZONA REPORTING SERVICE, INC.  
18 2627 N. Third Street, Suite Three  
19 Phoenix, Arizona 85004-1104

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By:   
Molly Johnson  
Secretary to Philip J. Dion III